U.S. Small Business Administration Federal Information Technology Acquisition Reform Act (FITARA) Implementation Plan

Leveraging SBA IT Resources to Support America's Small Businesses

SBA
U.S. Small Business Administration

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Contents

Message from the Deputy Administrator

The Small Business Administration (SBA) FITARA Implementation Plan reflects the Agency's dedication to optimizing and maintaining SBA's IT infrastructure, identifying areas for IT efficiency and innovation, and investing in the IT workforce. We recognize that IT is a critical enabler that supports SBA's mission to grow businesses and create jobs. The actions outlined in the plan move SBA in the right direction to ensure the Chief Information Officer (CIO) has the visibility and authority required to drive performance excellence and service delivery through effective governance and resource management.

The actions and priorities contained in the plan set us on a path to achieving SBA's core mission and better supporting the agency. In order to do that, we believe that it is essential to further enhance the management approach around IT budget, acquisition, human resources, and general governance. FITARA will also guide us as we redesign and reimagine the technical architecture of the Agency to respond to ever-evolving challenges and modernizing technology solutions.

This Implementation Plan was developed jointly by the Office of the Chief Information Officer (OCIO), Office of the Chief Financial Officer (OCFO) and IT leaders from program offices throughout SBA. Our collective efforts across the Agency provide the means for ongoing IT transformation. Our framework builds on best practices in IT investments and governance in an environment of evolving demands and rapidly advancing technology. We have identified targeted outcomes for the major activities to be pursued over the next four years. These activities engage our customers and stakeholders and emphasize accountability and transparency.

As an agency with a challenging mission, leaders across SBA work together to provide key IT solutions. SBA is committed to taking the next steps in IT innovation to supporting small business owners' needs to grow their businesses, create jobs, and increase global competitiveness.

Small Business Administration

Deputy Administrator

Executive Summary

Since 1953, the U.S. Small Business Administration (SBA) has helped America's small businesses grow and create jobs. By expanding access to capital, counseling, federal contracts, and disaster assistance, the SBA gives small business owners the tools they need to strengthen our economy, drive American innovation, and increase our global competitiveness.

SBA's mission is significantly supported by Information Technology (IT). IT tools enable SBA to reach out, connect with, and serve small businesses. Executing its mission requires SBA to build and maintain IT tools to provide America's small businesses with:

- Access to over $90B in capital, including a network of over 3000 lending partners for the 7(a) loan program.
- Mentoring, training and coaching for over 1.5 million entrepreneurs through a network of more than 1400 locations and 700 counselors, as well as a relevant, regularly refreshed catalog of online training offerings.
- An advocate for leveraging small business in government contracting, resulting in $100B of federal contracting dollars going to small businesses.
- Up to $11B a year in disaster recovery assistance loans.
- Processing of disaster loan applications for homeowners and business owners within target number of days after catastrophic disasters.

SBA requires the support of effective, reliable IT for daily operations to provide this level of support to America's small businesses.

1. Background

FITARA was established in order to provide CIOs of covered agencies enhanced responsibility and authority for collaboration across their departments and with the C-Suite (CXO) community on the management and oversight of IT resources and assets. These responsibilities and authorities include, but are not limited to: IT portfolio review; budget formulation and approval of IT budgets; CIO appointing authority; enhanced transparency and risk management of IT investments; IT workforce planning; strategic sourcing; and consistency in reporting to strengthen accountability and manage cost, schedule, and performance measures for IT programs.

With the issuance of FITARA, the Office of Management and Budget (OMB) requested agencies update policies and practices to meet the intent of the legislation. OMB levied a number of recurring requirements that agencies must adhere to, in addition to reiterating the importance of established practices that promote efficient and effective IT management. To meet OMB objectives and comply with the FITARA legislation, SBA stakeholder communities collaborated to determine the policies, processes, and guidance that require updates or revisions to meet the full intent of FITARA.

2. Objectives

This implementation plan documents the Agency's strategy to comply with FITARA, and outlines appropriate Senior Agency Official roles in managing IT as a strategic resource through an integrated and collaborative process designed to:

Goal 1: Optimize and maintain a reliable, secure, high performing IT infrastructure to support business needs.

IT infrastructure is the foundation for all SBA operations. Understanding and meeting current and anticipated program office needs for infrastructure performance is the highest IT priority. Secure data and IT assets protect against risks and ensure availability, integrity, confidentiality, and continuity of IT resources.

Goal 2: Work across SBA to gain efficiencies in IT operations.

SBA anticipates operating in an environment of reduced funding and increasing requirements. To meet that challenge, SBA recognizes an increased need for IT organizations within SBA to work together to identify opportunities for efficiencies in supporting the SBA Mission. Areas where technology can help the Agency be more efficient include IT management, technology investments aligned to business needs, and leveraging shared government services.

Goal 3: Improve the skillset and flexibility of SBA IT workforce to meet increased demands in an environment of declining budgets.

SBA will invest to prepare IT staff for future needs. In addition to investing in staff skills in the latest technology innovations, documenting and enhancing knowledge of key existing SBA technologies is critical.

3. Governance and Management Processes

3.1. Scope of Governance Process and Involvement of Agency Stakeholders

SBA IT portfolio governance provides the framework for the decision-making and accountability required to ensure IT investments meet the Agency's strategic and business objectives, and respond to priorities in an efficient, effective, and dynamic manner.

The SBA IT portfolio governance process is structured to facilitate a bottom-up flow of information from the investment, through the governance structure, to the appropriate decision-maker(s), with a corresponding top-down flow for decisions from the lowest level decision-making body – with appropriate authority – to the investment. The Business Technology Investment Council (BTIC) facilitates information flow and provides executive oversight of SBA's IT investments planning and management, and facilitates compliance with the guidance from Congress, OMB, and GAO. This board is central to SBA's annual budget planning and formulation processes.

The SBA CIO and the CFO co-chair the BTIC, which is the agency's investment review board (IRB). All program offices are represented at both levels of the governance process, with representation from SBA's field infrastructure as well. Having participation across the agency ensures that everyone has a voice and opportunity to vet any proposed investments and monitor existing investments' performance to ensure that expected returns on investment are achieved and IT spending in the agency comports with SBA's dynamic mission. In addition to the existing BTIC governance body, SBA has incorporated OMB's TechStat reviews for any investments that have been identified by the CIO as underperforming (e.g., schedule delays, cost overruns, etc.).

In addition to the BTIC, the Enterprise Architecture Working Group (EAWG) and the Enterprise Architecture Review Board (EARB) are essential aspects of the SBA Governance process. These bodies are established to ensure that the EA Alignment Methodology is utilized and the EA content is used in projects to deliver value. The SBA Chief Architect plays an active role in these bodies during the IT governance process by ensuring alignment with the SBA IT Architecture, and participating in the various review processes of the investment business cases and required artifacts.

As SBA continues to work to fully implement the PortfolioStat within SBA, the Agency plans to leverage existing governance processes and practices to ensure there is continued vigor in our assessments of underperforming investments and sustained efforts to identify opportunities to optimally consolidate possible duplicative investments within the overall portfolio. During our review of our current governance practices for the development of this Action Plan, SBA identified multiple opportunities for improvement and some gaps between current policy and process and the requirements of FITARA. The gaps and agency plans to address are documented below.

Among these opportunities for improvement are:
- Processes to engage the CIO earlier in the planning cycle of program offices as they develop requirements for program support IT
- Updates to the SBA's System Development Methodology to incorporate incremental development requirements
- Processes and documentation to ensure CIO review of detailed acquisition plan documents and independent government cost estimates (IGCEs) prior to submission to the Acquisition Division
- Development of IT competency and workforce development plans.

These policy documents and process changes are currently being developed and will be vetted across the Agency to ensure concurrence, awareness, and approval. Moving forward, the CIO will continue to engage all key stakeholders within the entire governance process to ensure all necessary parties meet their fiduciary responsibilities and provide support to vigorously monitor, manage, and control the SBA IT portfolio.

3.2. Alignment with SBA Goals and Priorities

SBA utilizes strategic alignment between Agency and SBA IT Goals to ensure that the business processes, technology, data, applications, and security are aligned with management's objectives.

4. CIO Authorities

4.1. Implementing FITARA through Agency Policies and Procedures

The Chief Information Officer (CIO) at SBA has been charged with ensuring that the organization is at the forefront of technology and supports the organizational movement to "do more with less". The agency has made tremendous strides in incorporating more vigor into new and existing governance processes and proactively sought opportunities across the Federal Government to leverage shared services to minimize costs and to prevent continued development of homegrown, proprietary solutions to meet IT needs. Through this process, SBA has established numerous service relationships with other Federal agencies and has formalized these relationships with a set of interagency agreements that permit SBA to secure shared services through these Federal partners. These partners include the Department of Homeland Security, Department of Commerce, General Services Administration, Department of the Treasury, Office of Personnel Management, and Department of Transportation.

In support of the SBA organization, the CIO is charged with authority to oversee and guide the following activities:

- IT Governance
- IT Program Management and Services
- Information Security
- Enterprise Architecture
- Commodity IT Spending
- IT Acquisitions
- Pre-Budget Formulation and Planning
- IT Workforce Planning and Oversight

5. Common Baseline

OMB has established a Common Baseline to detail how agencies meet and/or will modify existing practices to meet FITARA requirements. The Common Baseline provides a foundation for agencies to consider unique missions and provides the flexibility needed to adopt procedures that meet FITARA requirements and promote the efficient and effective management of IT resources. The Common Baseline outlines roles, responsibilities, and authorities of the SBA CIO and other applicable Senior Agency Officials in managing IT as a strategic resource, and serves as the framework to help strengthen current responsibilities and

authorities outlined in the Clinger-Cohen Act. The Common Baseline will be used to ensure Senior Agency Officials associated with the overarching management of IT are engaged in the oversight and lifecycle management of IT investments.

5.1. Self-Assessment

OMB required affected agencies to conduct a self-assessment to identify current conformity and potential gaps against the Common Baseline. The SBA CIO and CFO, and stakeholder community performed this assessment and discovered a number of conformity gaps that will be addressed through strengthening, updating, or revising existing policies, processes and guidance.

OMB requested agencies use the following ratings:

> 1: Incomplete—Agency has not started development of a plan that describes the changes it will make to ensure that all baseline FITARA responsibilities are in place by December 31, 2015;
> 2: Partially addressed—Agency is working to develop a plan that describes the changes it will make to ensure that all baseline FITARA responsibilities are in place by December 31, 2015; or
> 3: Fully implemented—Agency has developed and implemented its plan to ensure that all Common Baseline FITARA responsibilities are in place.

The SBA self-assessment and implementation plans are as follows:

5.2. Budget Formulation and Planning

"The CIO has a significant role in the decision processes for all annual and multi-year planning, programming, budgeting, and execution decisions."

Visibility of IT resources

A1. CIO Role/Responsibility: Visibility of IT resource plans/decisions to CIO. The CFO and CIO jointly shall define the level of detail with which IT resource levels are described distinctly from other resources throughout the planning, programming, and budgeting stages. This should serve as the primary input into the IT CPIC documents submitted with the budget (formerly Exhibits 53 and 300).

A2. CXO Role/Responsibility: Visibility of IT resource plans/decisions in budget materials. The CFO and CIO jointly shall define the level of detail with which IT resource levels are described as detailed in A1.
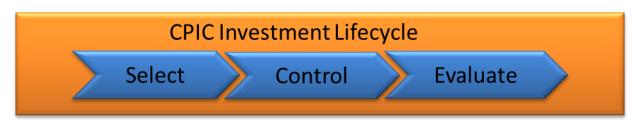
SBA Rating: 2

The visibility of IT resources is a key component to SBA's overall successful implementation of FITARA. The level at which resources are planned and executed needs to include more long term planning to ensure proper resources are available to support the rational and steady refreshment of technology. While the level of resources has been previously provided by the CFO and agreed to and executed by the CIO, the CIO and the CFO have agreed to work closely together to ensure that both have visibility to IT decisions and budget activities prior to when any final budget or procurement decisions are made going forward.

Agency Evidence of Complete Implementation:

Advanced acquisition strategies (AAS) are used to inform budget/planning for future IT investment and are analyzed during the formulation cycle. In accordance with SBA SOP 00-11-2, *Acquisition Standard*, "advanced acquisition planning will enable program offices to better plan for their contractual requirements, avoid rushed year end spending, help to balance resource utilization, allow for greater utilization of performance-based contracting, and will enhance the Agency's ability to better serve and support all small businesses while achieving its annual small business procurement goals." AAS are developed by program offices as part of the budget formulation process. These are prepared at the individual contract or inter-agency agreement level, and are used to inform budget planning. When budgets are appropriated, SBA updates the AAS to reflect the level of available funding, which may have differed from the plan. The agency CIO and CFO review and approve the AAS for IT acquisition planning.

All major IT investments are budgeted and planned at the contract and FTE staffing level to provide maximum detail for analysis. The CPIC process provides for CIO analysis and approval during the formulation cycle and on-going oversight through monthly update and review. The SBA CPIC process is outlined in our SOP 90-82, *Procedures for Managing SBA IT Investments- Investment Review Board (IRB)*. SBA's capital planning and investment control procedures follow the life-cycle as depicted in the graphic below.

CPIC Investment Lifecycle
Select > Control > Evaluate

Via the Monthly IT Dashboard submission process, the CIO reviews each major IT investment, performance progress for schedules, risks, operational metrics, contract data, staffing levels and any additional factors that the CIO deems relevant to the investment performance and overall return on investment. This information is submitted every month to the IT Dashboard and reviewed annually with the SBA governance IRB.

Moving forward the CIO and the CFO will develop a process to ensure effective advanced integration with the AAS process. The objective is to have CIO review and oversight prior to

potential IT investments entering the formal acquisition pipeline. Development of this process will occur in FY16 with September 30, 2016 as the target for final implementation.

CIO role in pre-budget submission

B1. CIO Role/Responsibility: CIO role in pre-budget submission for programs that include IT and overall portfolio. The agency head shall ensure the agency-wide budget development process includes the CFO, CAO, and CIO in the planning, programming, and budgeting stages for programs that include IT resources (not just programs that are primarily IT-oriented). The agency head, in consultation with the CFO, CIO, and program leadership, shall define the processes by which program leadership works with the CIO to plan an overall portfolio of IT resources that achieve program and business objectives and to develop sound estimates of the necessary IT resources for accomplishing those objectives.

B2. CXO Role/Responsibility: CIO role in pre-budget submission for programs that include IT and overall portfolio. The agency head shall ensure the agency-wide budget development process includes the CFO, CAO, and CIO as described in B1, and that CIO guidelines are applied to the planning of all IT resources during budget formulation. The CFO and program leadership shall work jointly with the CIO to establish the processes and definitions described in B1.

SBA Rating: 2

The pre-budget submission review includes all required leaders across SBA. Several meetings are held to discuss the overall budget submission and the priorities of the agency for all spending in direct alignment with the mission of the SBA.

Agency Evidence of Complete Implementation:

Major IT investment budget/planning is conducted by several functional leaders within the agency in coordination with the CIO and reconciled to the budget submission by the CFO. Requests for new IT investments are submitted to the CFO as part of the annual funding request process and then are submitted to the CIO for follow up evaluation and approval. This process was designed to avoid duplication of effort. Investments are currently reviewed by an agency investment review board (IRB) that is co-chaired by the CIO and CFO. The IRB meets at a minimum on a quarterly basis, but if there is a more urgent need the IRB can be called as needed. All budget plans and investments are reviewed and approved by the head of the agency prior to submission each year in September. The process for reviewing new and existing IT investments via the SBA IRB is detailed in SBA 90-82 *Procedure for Managing SBA IT Investments-Investment Review Board (IRB).* The process will be revised to include CIO reviews earlier in the pre-budget formulation process to ensure better consonance of effort across the agency. Development of the revised processes will occur in FY16 with September 30, 2016 as the target for final implementation. The revised process will be drafted as a revision to the current SOP. In process drafts will be reviewed with the Federal CIO desk officer during 2016 quarterly investment reviews.

CIO role in planning program management

C1. CIO Role/Responsibility: CIO role in planning program management. The CIO shall be included in the internal planning processes for how the agency uses IT resources to achieve its objectives. The CIO shall approve the IT components of any plans through a process defined by the agency head that balances IT investments with other uses of agency funding. This includes CIO involvement with planning for IT resources at all points in their lifecycle, including operations and disposition or migration.

C2. CXO Role/Responsibility: CIO role in program management. CIO, CFO, and program leadership shall define an agency-wide process by which the CIO shall advise on all planning described in C1.

<u>**SBA Rating: 2**</u>

The process for engaging the CIO in planning for program support IT can be improved by earlier engagement. SBA leadership is committed to taking the appropriate steps to ensure we have a robust process for all internal planning of IT resources and funds

Agency Action Plan:

SBA will modify our governance process to incorporate early stage planning. Program offices are most familiar with their IT needs for program support. Due to the lack of earlier CIO involvement, planning is often well along before engagement with the CIO occurs. This will be improved by including these early stage plans into the agency governance process. This requires reestablishing our Investment Initiative Form (IFF) process and simplified templates for early stage planning review by the IRB in addition to the investment review conducted for projects that are more fully developed. In addition to reestablishing the IIF process, SBA CIO has established an Architectural Review Board (ARB). The purpose of the ARB is to help program offices leverage current agency capabilities and investments. If the program office needs cannot be met with current capabilities, the ARB will help plan, research, invest, architect and implement IT capabilities and services consistent with SBA's technology roadmap. The board's purpose is to review all technical requirements for capabilities and services related to IT components. The ARB is chaired by the CIO.

Moving forward with our agency action plan, we anticipate that the CIO's office will complete the planning process for our proposed modification by 3QFY16 and execute any proposed changes to our processes with agency program offices by September 30, 2016.

CIO role in budget request

D1. CIO Role/Responsibility: CIO reviews and approves Major IT investment portion of budget request. Agency budget justification materials in their initial budget submission to OMB shall include a statement that affirms: the CIO has reviewed and approves the major IT investments

portion of this budget request; the CFO and CIO jointly affirm that the CIO had a significant role in reviewing planned IT support for major program objectives and significant increases and decreases in IT resources; and the IT Portfolio (formerly Exhibit 53) includes appropriate estimates of all IT resources included in the budget request.

D2. CXO Role/Responsibility: CIO and CFO Certify IT Portfolio. The CFO shall work with the CIO to establish the affirmations in D1.

SBA Rating: 2

The CIO and the CFO will continue to ensure that both parties are actively involved in the agency's budget formulation process early and often. A more robust presence and engagement with the agency program managers by the CIO will improve insight into the various support needs and systems intentions. This knowledge will help strengthen the partnership of the CIO and CFO in effective resource planning to meet SBA's needs.

Agency Evidence of Complete Implementation:

Major IT investment budget/planning is conducted by the agency CIO and reconciled to the budget submission by the CFO. Requests for new IT investments are submitted to the CFO as part of the annual funding request process and then are submitted to the CIO for follow up evaluation and final approval. SBA will move the CIO evaluation and concurrence earlier in the budgeting process to ascertain how best to provision the required capability (build, buy, or leverage existing technology). This will allow for a validated requirements based approach to the budget request. This process will help avoid duplication of effort and ensure that the CIO and CFO are in agreement on the funding to be requested. Subsequent investments are reviewed by an agency investment review board (BTIC) that is co-chaired by the CIO and CFO. In the existing process, the CIO has multiple points of review and approval for all proposed new and on-going IT investments throughout the fiscal year. Final approval of all budget submissions resides with the head of the agency. Development of the revised processes will occur in FY16 with September 30, 2016 as the target for final implementation.

5.3. Acquisition and Execution

"The CIO has a significant role in the decision processes for all annual and multi-year planning, programming, budgeting, and execution decisions; management, governance and oversight processes related to IT; and certifies that IT investments are adequately implementing incremental development as defined in OMB capital planning guidance."

Ongoing CIO engagement with program managers

E1. CIO Role/Responsibility: Ongoing CIO engagement with program managers. The CIO should establish and maintain a process to regularly engage with program managers to evaluate IT resources supporting each agency strategic objective. It should be the CIO and PMs'

shared responsibility to ensure that legacy and ongoing IT investments are appropriately delivering customer value and meeting the business objectives of programs.

E2. CXO Role/Responsibility: Ongoing CIO engagement with program managers. PMs shall work with the CIO to define IT performance metrics and strategies to support fulfillment of agency strategic objectives defined in the agency's strategic plan.

<u>**SBA Rating: 3**</u>

Governance and investment management processes require the CIO approval of all major and on-going IT investments in collaboration with program office leaders. The CIO will continue to increase the level of engagement with program managers to gain better understanding of common agency system and technology needs.

Agency Evidence of Completion Implementation:

Agency policy (90-82, dated 9/30/2014) defines the process for managing and approving investments and for planning and investment control. This policy articulates the CIO's role in approval and oversight processes. As stated under Section A2 of this plan, the CIO utilizes the following investment oversight/governance processes to demonstrate responsibility for investment performance:

- <u>Monthly IT Dashboard Submission Process</u>: For Major IT investments, performance progress in investment project schedules, risks, operational metrics, and investment program team (IPT), and contract data are required to be submitted to the Federal IT Dashboard on a monthly basis, along with the CIO evaluation.
- <u>Project Management</u>: SBA requires project managers to follow the agency System Development Methodology (SDM) to manage projects and document supporting artifacts. The CIO reviews active projects, reviews the qualifications of project managers, and if needed, reassigns qualified project managers.
- <u>Contract Review Board (CRB):</u> The CRB provides oversight of contract and acquisition management. As a member of the CRB, the CIO participates in discussions of contractor performance issues.
- <u>TechStat</u>: The CIO has the authority to direct TechStat reviews as needed. TechStat provides a face-to-face, evidence-based review of an IT investment that enables the CIO to turn around, halt or terminate IT investments that are not effectively performing.

Visibility of IT planned expenditure reporting to CIO

F1. CIO Role/Responsibility: Visibility of IT planned expenditure reporting to CIO. The CFO, CAO, and CIO should define SBA-wide policy for the level of detail of planned expenditure reporting for all transactions that include IT resources.

F2. CXO Role/Responsibility: Visibility of IT planned expenditure reporting to CIO. The CFO, CAO, and CIO shall define SBA-wide policy for the level of detail of planned expenditure reporting for all transactions that include IT resources.

SBA Rating: 3

SBA uses an automated tool to capture detailed information about individual contracts and staffing levels supporting each major IT investment. This provides the CIO with maximum visibility into the cost components of each investment budget and supports a high quality review process.

Agency Evidence of Complete Implementation:

Monthly, quarterly and annual processes are defined to ensure CIO oversight and approval is facilitated by detailed information about each major IT investment in accordance with agency SOP 90-82. The CIO holds monthly meetings to review major investments' cost, quality and performance status to provide oversight and to determine ratings for reporting on the CIO dashboard. During these monthly discussions the CIO has the opportunity to identify any major variances from plans and can require more detailed follow up, including calling for a TechStat review. An outcome of these review sessions is the CIO's ability to leverage the TechStat to determine if an investment should be halted, modified or terminated. This process can be strengthened by leveraging various investment and project management automated tools to provide early indications of performance issues. SBA plans to analyze options for improvement throughout FY16 to enable a budget request (if needed) for the FY18 budget submission.

Visibility of IT planned expenditure reporting to CIO

G1. CIO Role/Responsibility: CIO defines IT processes and policies. The CIO defines the development processes, milestones, review gates, and the overall policies for all capital planning, enterprise architecture, project management, and reporting for IT resources. At a minimum, these processes shall ensure that the CIO certifies that IT resources are adequately implementing incremental development (as defined in the below definitions). The CIO should ensure that such processes and policies address each category of IT resources appropriately— for example, it may not be appropriate to apply the same process or policy to highly customized mission-specific applications and back office enterprise IT systems depending on the agency environment. These policies shall be posted publicly at agency.gov/digital strategy, included as a downloadable dataset in the agency's Public Data Listing, and shared with OMB through the IDC. For more information, see OMB Circular A-130: Management of Information Resources.

SBA Rating: 2

IT processes and policy are developed by the CIO in collaboration with agency leadership. Updated policies have been developed to establish CIO governance and oversight of IT. The policy that should incorporate the requirement for incremental development (System Development Methodology or SDM) needs to be updated.

Agency Action Plan:

The CIO will update and formally approve the SDM policy in FY 2016 to address requirements for incremental development. The CIO has established policy for IT Investment Management (90-82, dated 9/30/2014), Assessing Quality of IT Projects (90-41 dated 9/9/2011), Changes to Information Systems (90-42, 09/09/2011) and Performance Baseline Management (90-52 05/09/2011) to establish policy and processes to govern and oversee IT investments. Until that policy is updated, the CIO and agency's IRB can enforce incremental development through the investment oversight process. Through the agency investment governance process, the CIO has the ability to review project plans and contracting plans and will use these reviews to ensure appropriate incremental development methodologies are being used. Key monitoring metrics and measures will be defined by June 30, 2016.

A critical input to update the SDM policy will be derived from a major initiative the agency has just begun implementing. The agency has just designed and contracted for a system development project for SBA One – Contracting using an agile methodology and with the assistance of the US Digital Services team. Experience gained through this project will be incorporated into the SDM as it is developed. Agile methodology training has been provided to agency executives and to the project team. In addition to the experience gained from the SBA One project, SBA will create a working group to develop the policy to ensure that all staff understand the requirements of the policy and have an opportunity to provide input, better ensuring compliance of new SDM.

CIO role on program governance boards

H1. CIO Role/Responsibility: CIO role on program governance boards. In order to ensure early matching of appropriate IT with program objectives, the CIO shall be a member of governance boards that include IT resources (including "shadow IT" or "hidden IT"—see definitions), including bureau Investment Review Boards (IRB). The CIO shall notify OMB of all governance boards the CIO is a member of and update this notification at least annually.

H2. CXO Role/Responsibility: Participate with CIO on governance boards as appropriate.

<u>**SBA Rating:**</u> **3**

The CIO co-chairs the IRB with the CFO. The CIO's program management team provides staff support to the IRB. The IRB (also called the BTIC) is the primary governance board for all IT investment review.

Agency Evidence of Complete Implementation:

Procedure for Management SBA IT Investments – Investment Review Board (IRB) (90-82 dated 9/30/2014) specifies the leadership role of the CIO. The CIO will work with agency leadership and the CFO to determine what other possible boards would merit CIO participation to identify shadow or hidden IT. Review and revision of membership (if required) will be complete by September 30, 2016.

Shared acquisition and procurement responsibilities

I1. CIO Role/Responsibility: Shared acquisition and procurement responsibilities. The CIO reviews all cost estimates of IT-related costs and ensures all acquisition strategies and acquisition plans that include IT apply adequate incremental development principles (see definitions).

I2. CXO Role/Responsibility: Shared acquisition and procurement responsibilities. The CAO, in consultation with the CIO and, where appropriate, the CFO, shall ensure there is an agency-wide process to ensure all acquisitions that include any IT: are led by personnel with appropriate federal acquisition certifications (FAC), including specialized IT certifications as appropriate; are reviewed for opportunities to leverage acquisition initiatives such as shared services, category management, strategic sourcing, and incremental or modular contracting and use such approaches as appropriate; are supported by cost estimates that have been reviewed by the CIO; and adequately implement incremental development.

SBA Rating: 2

The CIO reviews contracts and staffing plans for major investments through the CPIC process, both at budget formulation and through a monthly review process of major IT investments. CIO review of IGCEs should be improved.

Agency Action Plan:
The CIO and CFO will work together to develop a process to document CIO review and approval of acquisition strategies and plans, IGCEs for IT acquisitions, and issue guidance to program offices and acquisition staff to communicate the requirements. The CIO and CFO will spearhead this effort but a working group will need to be established to ensure that the program offices are on board with the new process. This process will be developed and documented by the end of FY 2016. Throughout FY16, the CIO will work with the CFO to develop a plan focused on recruiting or developing technology-specific contracting expertise to ensure state of the industry sourcing capability.

CIO role in recommending modification, termination, or pause of IT projects or initiatives

J1. CIO Role/Responsibility: CIO role in recommending modification, termination, or pause of IT projects or initiatives. The CIO shall conduct TechStat reviews or use other applicable performance measurements to evaluate the use of the IT resources of the agency. The CIO may recommend to the agency head the modification, pause, or termination of any acquisition, investment, or activity that includes a significant IT component based on the CIO's evaluation, within the terms of the relevant contracts and applicable regulations.

<u>**SBA Rating: 3**</u>

CIO performs a monthly review of investment status through the CPIC process and can schedule TechStat sessions as necessary. The CIO conducts project oversight through an established quality assurance process

Agency Evidence of Complete Implementation:

- Policy 90-42 Procedures for Managing and Assessing the Quality of SBA Information Technology Projects (dated 9/9/2011).
- Procedure for Management SBA IT Investments – Investment Review Board (IRB) (90-82 dated 9/30/2014) specifies the leadership role of the CIO.

SBA has a robust capital planning an investment control process that ensures the CIO reviews each major investment on a monthly basis and as investments are deemed as underperforming can be subjected to more rigid evaluation (e.g., TechStat/BTIC review). Moving forward the CIO will continue to leverage the TechStat tool to identify any projects that may require modification, termination or pause. SBA will work to expand this as we implement more automated performance monitoring tools.

CIO review and approval of acquisitions

K1. CIO Role/Responsibility: CIO review and approval of acquisition strategy and acquisition plan. Agencies shall not approve an acquisition strategy or acquisition plan (as described in Federal Acquisition Regulation Part 7) or interagency agreement (such as those used to support purchases through another agency) that includes IT without review and approval by the agency CIO. For contract actions that contain IT without an approved acquisition strategy or acquisition plan, the CIO shall review and approve the action itself. The CIO shall primarily consider the following factors when reviewing acquisition strategies and acquisition plans: appropriateness of contract type; appropriateness of IT related portions of statement of needs or statement of work; appropriateness of above with respect to the mission and business objectives supported by the IT strategic plan; and alignment with mission and program objectives in consultation with program leadership.

K2. CXO Role/Responsibility: CAO is responsible for ensuring contract actions that contain IT are consistent with CIO-approved acquisition strategies and plans. The CAO shall indicate to the CIO when planned acquisition strategies and acquisition plans include IT. The CAO shall

ensure the agency shall initiate no contract actions or interagency agreements that include IT unless they are reviewed and approved by the CIO or are consistent with the acquisition strategy and acquisition plan previously approved by the CIO. A similar process for contract modifications will be implemented. The CAO shall also ensure that no modifications that make substantial changes to the scope of a significant contract are approved that are inconsistent with the acquisition strategy and acquisition plan previously approved by the CIO, unless the modification is reviewed and approved by the CIO.

SBA Rating: 1

The CIO reviews planned contracts through the CPIC monthly process and during the budget formulation cycle. However, CIO does not currently review acquisition strategies or plan documents in detail. All agency acquisitions of IT require an acquisition strategy.

Agency Action Plan:

The CIO and CFO will work jointly to develop a process to document CIO review and approval of acquisition strategies and plans and IGCEs for IT acquisitions to include guidance to program offices and acquisition staff. The CIO and CFO will leverage our existing governance process to ensure all new potential IT investments are reviewed by the CIO prior to entering the acquisition process. These investments will ultimately be reviewed by the Business Technology Investment Council (BTIC). The BTIC meets on at least a quarterly basis to review any possible new investments and examines the performance of those contained in our existing portfolio. These meetings provide an opportunity to discuss the proposed acquisition strategies for any new investments. To further operationalize this process, SBA is also investigating automated tools to enforce the process. Specifically, SBA is engaged in conversations with vendors to determine the potential to leverage asset management tools. Automated tools which embed all required compliance and governance reviews as an essential part of the IT acquisition workflow are key to improving this focus area. The prospective tool would enable insight and CIO approval on every single IT expenditure prior to entrance to the formal acquisition process. This tool would also further strengthen the process to ensure that the CIO has insight into all IT procurement strategies for programs across the agency to further inform enterprise architecture planning and the governance process. Working together, this newly refined process would ensure all contracts that have IT components are reviewed by the CIO prior to them being released for solicitation. The acquisition of a supporting tool will be analyzed in FY16 with a target of acquisition and implementation by the end of FY17. SBA's existing governance process that leverages the BTIC forums to discuss proposed acquisition strategies for our IT investments has been in place for years and will continue to be utilized.

CIO approval of reprogramming

L1. CIO Role/Responsibility: CIO approval of reprogramming. The CIO must approve any movement of funds for IT resources that requires Congressional notification.

L2. CXO Role/Responsibility: CIO approval of reprogramming. The CFO shall ensure any notifications under L1 are approved by the CIO prior to submission to OMB.

N/A – SBA does not reprogram funds for information technology. However, if that should change, the SBA will ensure that the CIO approves reprogramming of IT funds.

5.4. Organization and Workforce

"The CIO reports to the agency head (or deputy/COO) and assesses the requirements established for agency personnel regarding knowledge and skill in information resources management and the adequacy of those requirements for facilitating the achievement of the established IRM performance goals; and assesses the extent to which the positions and personnel at the executive and management levels meet those requirements."

CIO approves new bureau CIOs

M1. CIO Role/Responsibility: CIO approves bureau CIOs. The CIO shall be involved in the recruitment and shall approve the selection of any new bureau CIO (including bureau leadership with CIO duties but not title—see definitions). The title and responsibilities of current bureau CIOs may be designated or transferred to other agency personnel by the agency head or his or her designee as appropriate and such decisions may take into consideration recommendations from the agency CIO.

N/A – SBA has a single CIO and does not have bureaus.

CIO role in ongoing bureau CIOs' evaluations

N1. CIO Role/Responsibility: CIO role in ongoing bureau CIOs' evaluations. The CHCO and CIO shall jointly establish an agency-wide critical element (or elements) included in all bureau CIOs' performance evaluations. In cases where the bureau CIO is a member of the Senior Executive Service and the agency uses the Basic SES Appraisal System, this critical element(s) is an "agency-specific performance requirement" in the Executive Performance Plan. Each such agency may determine that critical element(s) (Executive Core Qualifications) contain these requirements. For agencies that do not use the Basic SES Appraisal System or for bureau CIOs who are not members of the SES, then these shall be critical elements in their evaluations. The [agency] CIO must identify "key bureau CIOs" and provide input to the rating official for this critical element(s) for at least all "key bureau CIOs" at the time of the initial summary rating and for any required progress reviews. The rating official will consider the input from the [agency] CIO when determining the initial summary rating and discusses it with the bureau CIO during progress reviews.

N2. CXO Role/Responsibility: CIO role in ongoing bureau CIOs' evaluations. The CHCO and CIO shall jointly establish an agency-wide critical element (or elements) for the evaluation of bureau CIOs as described in N1.

N/A – SBA has a single CIO and does not have bureaus.

Bureau IT Leadership Directory

O1. CIO Role/Responsibility: Bureau IT Leadership Directory. CIO and CHCO will conduct a survey of all bureau CIOs, and CIO and CHCO will jointly publish a dataset identifying all bureau officials with title of CIO or duties of a CIO. This shall be posted as a public dataset based on instructions in the IDC by August 15, 2015 and kept up-to-date thereafter. The report will identify for each: employment type (e.g. GS, SES, SL, ST, etc.), type of appointment (e.g. career, appointed, etc.), other responsibilities (e.g. full-time CIO or combination CIO/CFO), evaluation "rating official" (e.g. bureau head, other official), evaluation "reviewing official" (if used), and whether [agency] CIO identifies this bureau CIO as a "key bureau CIO" and thus requires the [agency] CIO to provide the rating official input into the agency-wide critical element(s) described in N1.

O2. CXO Role/Responsibility: Bureau IT Leadership Directory. The following table highlights the SBA IT Leadership Directory:

Name	Employment Type	Other Responsibilities	Eval Reviewing Title	Key Bureau CIO
Keith Bluestein	SES	Chief Privacy Officer	Office of the Administrator/Chief Operating Officer	Yes
Tami Perriello	SES	Associate Administrator for Performance Management and Chief Financial Officer	Office of the Administrator	No
Stephen Kucharski	SES	Director, Office of Performance and Systems Management	Associate Administrator for Capital Access	No
James Rivera	SES	Associate Administrator, Office of	Office of the Administrator	No

		Disaster Assistance		

IT Workforce

P1. CIO Role/Responsibility: IT Workforce. The CIO and CHCO will develop a set of competency requirements for IT staff, including IT leadership positions, and develop and maintain a current workforce planning process to ensure the department/agency can (a) anticipate and respond to changing mission requirements (b) maintain workforce skills in a rapidly developing IT environment, and (c) recruit and retain the IT talent needed to accomplish the mission.

P2. CXO Role/Responsibility: IT Workforce. CIO and CHCO—and CAO where relevant—shall develop a set of competency requirements for IT staff, including IT leadership positions, and develop and maintain a current workforce planning process to ensure the department/agency can (a) anticipate and respond to changing mission requirements (b) maintain workforce skills in a rapidly developing IT environment, and (c) recruit and retain the IT talent needed to accomplish the mission.

SBA Rating: 1

The CIO and CHCO need to develop competency requirements for IT staff and a workforce planning process for IT staff. This is an area which requires significant improvement. Much of the detailed discussion on competencies will be informed by the state of the present and planned technology environment. Specifically, shifting a majority of the services to a cloud or virtual environment may pose opportunities to divest from certain platform or infrastructure skill sets.

Agency Action Plan:

Combined with the overall agency IT support requirements, the CIO will collect capability requirements from all SBA program managers. The CIO and CHCO will work with the agency leadership to develop a holistic approach to determine IT personnel requirements. This will include formalizing IT competency requirements and a workforce plan for IT staff. The CIO will coordinate with the CHCO and build an agency-wide working group to develop an IT competency and workforce plan during FY 2016. Any modification of the IT workforce alignment would be done in a step-wise fashion to ensure union and personnel needs are managed appropriately. The required framework will be completed by the end of FY16. The results of the analysis and proposed changes should be formalized by the end of FY17. Any resultant work force changes would start to occur in FY18.

In order to meet the goal of improving the skillset and flexibility of the SBA IT workforce to meet increased demands in an environment of declining budgets, SBA's workforce plan will highlight how we intend to invest in customer service capabilities, including but not limited to staff having knowledge of business operations and program management fundamentals. To achieve this objective, SBA will:

- Cross-train staff in critical functions of each Program Office, and supporting systems
- Develop project management and consultation skills and capabilities to support program offices with technical solutions to meet business requirements
- Invest in project management and IT fundamental training

Our workforce plan will also address the need to have a formalized SBA IT competency development program that will ensure the current and future IT workforce can meet the evolving Program office needs by broadening their IT expertise. To ensure this objective can be met by the workforce plan SBA will develop, we will include activities such as:

- Aligning IT career path with OPM job classifications
- Identifying key skill areas and developing training programs focused on key technologies
- Establishing a workforce management capability to forecast workload and ensure qualified resources are available
- Leveraging training programs from other agencies to minimize costs

CIO reports to agency head (or deputy/COO)

Q1. CIO Role/Responsibility: CIO reports to agency head (or deputy/COO). As required by the Clinger-Cohen Act and left in place by FITARA, the CIO "shall report directly to such agency head to carry out the responsibilities of the agency under this subchapter." This provision remains unchanged, though certain agencies have since implemented legislation under which the CIO and other management officials report to a COO, Undersecretary for Management, Assistant Secretary for Administration, or similar management executive; in these cases, to remain consistent with the Clinger-Cohen requirement as left unchanged by FITARA, the CIO shall have direct access to the agency head (i.e., the Secretary, or Deputy Secretary serving on the Secretary's behalf) regarding programs that include information technology.

SBA Rating: 3

The agency Office of the Chief Information Officer is located within the Office of the Chief Operating Officer, however, due to the broad scope of the CIO's responsibilities, the CIO reports directly to the Office of the Administrator on substantive IT matters affecting the agency, as well as to the COO. The Deputy Administrator meets with the CIO at least weekly both on current IT issues and a wide range of agency IT plans and objectives.

Agency Evidence of Complete Implementation:

Organizational chart published with SBA's Congressional Budget Justification and Annual Financial Report.

6. Transparency, Risk Management, Portfolio Review, and Reporting

SBA will continue efforts to provide transparent and timely reporting of portfolio assessments to Congress (via OMB), with an emphasis of data quality/data improvements, in the following ways:

- Providing quarterly Integrated Data Collection input, to include cost savings and cost avoidance data.
- Reporting on Monthly Federal IT Dashboard updates of risks, performance metrics, project, and activity data of Major Investments in accordance with CPIC guidance.
  - Reporting will include CIO evaluations and identification of high-risk ratings.
- Conducting TechStats to review IT investments with SBA leadership and identifying critical problems, as well as Automatic TechStats for any investment with a high-risk rating for three consecutive months.
- Conducting PortfolioStats to assess the current maturity of the SBA IT portfolio management process and select PortfolioStat action items to strengthen the IT portfolio.

7. Federal Data Center Consolidation Initiative (FDCCI)

Planning and implementation efforts are underway that incorporate hybrid cloud solutions of SBA on premise data centers and off-premise cloud services. This optimizes the placement of IT services, addresses infrastructure integration and better supports agile methodologies and DevOps initiatives. Data center consolidation will leverage virtualization, automation, and cloud-based technologies as ongoing and planned application and system modernization and consolidation occur. SBA will continue to assess organizational needs and technology drivers to evaluate new technology-based architectures and solutions including storage, server, and networking, and their subsequent impacts on data center modernization and consolidation efforts. Standardization efforts are enabling efficient reuse and automation of the infrastructure and application services.

8. IT Acquisition Cadres

As documented in the SBA's Acquisition Human Capital Plan, to meet requirements for highly skilled and specialized IT acquisition staff, SBA leverages a federal shared service provider for its complex IT requirements. Because of its size and scale, the Interior Business Center is able to better provide this expertise.

Outside of the acquisition workforce, the SBA has an established FAC-P/PM program administered by OCIO to ensure adequate training and development of the project management and investment management staff. Additionally, the SBA's Office of Human Resources Solutions (OHRS) has recently launched an agency-wide Leadership Development Program. SBA will select and train approximately 200 aspiring leaders throughout the organization in order to boost critically needed competencies in leadership, project

management, and decision support. Employees are selected for the training based upon an application process. The Leadership Development Program is designed to provide training experiences in three areas:

- **Leadership Development**—Executive development courses at local training institutions, as well as in residency programs at Office of Personnel Management facilities in Shepherdstown, WV; Denver, CO, and the Federal Executive Institute in Charlottesville, VA. This program focuses on developing the trainee's key leadership core qualifications for application at all grade levels, including as senior executives.
- **Project Management**—Courses and programs that lead to competencies in project management, including requirements specification, stakeholder management, communications, and risk analysis and mitigation.
- **Decision Support**—Courses and programs that lead to competencies in spreadsheet development and analysis, presentation delivery, development of decision support datasets, and business intelligence and dash boarding.

9. Federal Strategic Sourcing Initiative (FSSI)

The SBA will work to become compliant with the new rule regarding purchases of services and supplies in favor of strategically sourced vehicles. An analysis will be provided of the comparative value (price and non-price factors) between the services and supplies offered under the FSSI and services and supplies offered under the source or sources used for the purchase.

10. Government-wide Software Purchasing Program

SBA will work to secure access to government-wide enterprise software licenses through new awards that allow for the purchase of a license agreement that is available for use by all Executive agencies.

11. Appendix A: Artifacts

SOP-00-11-2: Acquisition Standard

SOP-00-11-2

SOP-90-82: Procedure for Managing SBA IT Investments-Investment Review Board (IRB)

SOP 90-82

SOP-90-52: IT Investment Performance Baseline Management (PBM) Policy Office of the Chief Information Officer Small Business Administration

SOP 90-52

SBA TechStat Training Guide and Process

SBA TechStat
Training Guide and Pr